The Washington Post

Too Poor for Hot Housing Market, Too Affluent for Buyer Assistance

[FINAL Edition]

The Washington Post - Washington, D.C.
Author: Cameron W. Barr and Annie Gowen
Date: Dec 1, 2005
Start Page: A.01
Section: A SECTION
Document Types: Feature
Text Word Count: 1501

Full Text (1501 words)

For half a decade, Gwendolyn Halford, a 48-year-old librarian for a federal agency, has searched several Washington suburbs to buy. With an annual salary of about $60,000, she is too well-off to qualify for most affordable housing programs, but she lack to purchase something she likes on the open market.

So she remains a renter, frustrated by the actions of elected officials "You are allowing developers to come in to build condo u homes at prices that a large percentage of the population can't afford," she said. "So what is going on here?"

Across the region, government leaders have heard some version of that question They are scrambling to provide "workforce h price-controlled homes for families with high five- and even six- figure incomes.

The Montgomery County Council is considering a bill that would require developers of sites near Metro stations to expand their about 8 percent to add workforce units at below-market prices. A family of four with a salary of $90,000, under one scenario, w $300,000 for a townhouse. The median price for a new townhouse in Montgomery during the first quarter of this year was nearl

The Alexandria City Council voted in November to lend a city- supported nonprofit organization $12 8 million to buy the Gunsto apartment complex, which officials hope will include rental units for residents whose salaries disqualify them from public housin District, Mayor Anthony A Williams's recently launched New Communities initiative would remake the struggling Sursum Corda neighborhood into a mix of 1,700 homes, a third of them reserved for moderate-income residents.

New York has for decades helped provide housing for city residents with moderate incomes, but officials in the Washington are concentrated their housing initiatives on the poor. The new workforce efforts "do represent the first strong moves in governmen with housing people at middle incomes," said Tad Baldwin, an advocate for affordable housing in the District and Montgomery.

In Montgomery, where Halford hopes to buy, about 66,200 households have salaries that are 80 to 120 percent of the Washing median income -- $89,300 for a family of four - - which is one way of defining the workforce category. These households accou of the county's population

For elected officials, the upside of these initiatives is undeniable. The beneficiaries are mainly public employees who can't affor where they work and employers who complain that housing costs force workers to commute too far or leave Helping a firefight or librarian buy a house is the sort of goal few politicians would fail to embrace, given the votes commanded by public employe

But the motivation goes beyond politics. In jurisdictions where housing prices have soared, the need is genuine. Officials are al contending with reduced federal spending on affordable housing programs and an escalating real estate market that encourage rental complexes to convert them into condominiums.

Affordable housing advocates welcome the fresh attention to the plight of people who cannot buy or rent in the Washington are worry about local governments expending too much political energy and resources on the middle class.

"We certainly acknowledge that middle-income families in Montgomery have trouble finding affordable homes," D. Scott Minton director of the Housing Opportunities Commission, Montgomery's public housing agency, told the County Council last week. "In what faces the county's low-income families "

"We are concerned the poor are going to get left behind," Baldwin said.

Although the local housing market appears now to be cooling, the median price for a house in much of the region remains well $400,000. People such as Halford say they are priced out of something that by rights should be theirs. In her case, that means bedroom condominium with two bathrooms, a washer and dryer and secure parking.

"I don't think that's asking a lot," she said. She'll settle for less: one bathroom and a hookup for the washer and dryer.

There is no unanimity on what workforce housing means. In some areas, it is a new, more politically salable name for affordabl Elsewhere it is about helping those who are too rich to qualify and too poor to buy And as some jurisdictions focus efforts direc government workers, others aim their programs more broadly

The District, for instance, uses workforce to mean those with salaries 40 to 80 percent of the area's median income. "When you 120 [percent], those folks are generally making upwards of six digits," said Stanley Jackson, deputy mayor for planning and eco development and a former housing director "We have a huge population here of folks who are making substantially less than th our [government] workers are making substantially less than that."

Officials in Alexandria have not defined what they mean by workforce In Montgomery, a bill introduced by council member Stev Silverman (D-At Large) would apply to households with salaries that are 120 percent of the area median income or less, meanin family of four with an income of $107,000 would qualify.

At an October conference in the District on "inclusionary zoning" -- the practice of requiring developers to include price- controll market-rate developments -- urban policy consultant David Rusk offered some advice to policymakers: "Advocate [inclusionary primarily as meeting workforce housing needs rather than advancing social justice," he said in a keynote speech, although he u listeners to maintain their commitment to affordable housing for the poor.

In Montgomery, where Silverman and former council member Isiah Leggett are seeking the Democratic nomination for county e the debate is about kinds of workforce housing, with little discussion of options for the poor.

They rarely acknowledge that Montgomery's affordable housing programs for low-income residents are treading water. The cou inclusionary zoning program, a national model, has produced more than 11,000 price-controlled units since 1974, more than a the total produced in the United States.

But officials and experts say Montgomery now must struggle to maintain its affordable housing stock In recent years, as the pa development has subsided, only 200 or so new price-controlled units have come online annually.

Nearly 17,000 names are on closed waiting lists maintained by Montgomery's Housing Opportunities Commission to track thos public housing or federally funded vouchers for low-income renters.

Last year, nearly half of the $21 million in disbursements from Montgomery's Housing Initiative Fund went to buy and renovate buildings that officials considered "threatened." In many cases, the threat came from an owner who intended to convert afforda apartments into luxury units.

"We have a need for tens of thousands of affordable and workforce units here," Leggett said. He argued that Silverman's plan a "nibbling around the edges" of the problem and proposed that the county develop entire projects of price-controlled housing.

Silverman countered that Leggett's idea is vague and unworkable and said his own proposal will "create middle-class housing u soon as buildings are built."

In Fairfax County, the Board of Supervisors voted recently to consider expansion of its affordable housing policy. It now require developers of low or mid-rise buildings to allocate a percentage of the apartments or condominium units as affordable housing looking at applying the requirement to high- rises, mostly around Metro stations. The demand for the county's 1,957 homes anc is so high that applicants are chosen by lottery.

Supervisor Catherine M. Hudgins (D-Hunter Mill) said she hopes the county will increase the income levels of those applying fo rise program to appeal to teachers, law enforcement officers and other middle-class residents.

"We're not shifting our focus -- we're expanding our focus," Hudgins said.

In Arlington County, officials have continued to increase funds going to traditional affordable housing as they try to address wor housing with an assistance program for moderate-income homebuyers.

Meanwhile, the county has lost about 10,000 apartments that would be affordable to those whose salaries are 60 percent of the median income or below, said County Board Vice Chairman Chris Zimmerman (D). Cheaper apartments are far more scarce. C 42,000 rental units in the county, only about 200 are priced at a level that a person whose salary is 40 percent of the area's me could afford.

"When we talk about the housing we've lost, the greatest losses are at the lowest levels of income," Zimmerman said. He said I "concerned that we not lose sight of the fact that the most desperate needs are still at these lower income levels."

Halford, the librarian, saw a two-bedroom condominium in a Silver Spring high-rise Friday. Looking past the tired brown carpet, appliances, the "little bug" crawling in a kitchen drawer, she saw some potential. But for $199,000, she said, "I would want it to condition than that."

Staff writer Debbi Wilgoren contributed to this report.